

History of the Nags Head Stormwater Program and Utility Fee

Nags Head's Stormwater Utility Fee came about through a "necessity is the mother of invention" type of process. Up until 2004, the Town had been dealing with numerous, localized drainage problems (within certain sections of specific subdivisions). Some were chronic – every time it rained more than ½ inch, or so – and some were acute, requiring the closure of Town streets due to flooding. In addition, the Town has five ocean outfalls (constructed and "maintained" by the North Carolina Department of Transportation NCDOT) which, along with several small sound outfalls, serve the entire town. In the summers of 2003 and 2004, these ocean outfalls became an issue as new Federal and State regulations required their posting regarding possible contamination. In 2003, postings were done based on weekly sample results for enterococcus bacteria, and in 2004, when flow in a given outfall was "detected".

In his proposed Operating Budget for FY 2004-2005, Town Manager Webb Fuller included a new line item within the water budget entitled "Stormwater Management". The item was proposed at \$75,000, with corresponding revenue to be generated by adding a (flat) fee to each water bill.

Without a definite plan for how the utility would operate (and spend the allocated funds), the Board of Commissioners left the expenditure line in the budget, but did not fund it when the budget was adopted. Coincidentally that summer, the skies literally "opened up" and inundated the town with rain for the next 10 days. Somewhere over 10 inches of rain (not all from passing tropical systems) fell in a two week period. For the record, the town received just over 60 inches of rain in the 12 month period ending on November 30, 2004. The amount of flooding up and down the Outer Banks caused several actions to be taken. These included:

- Sen. Marc Basnight (D, Dare Co.), then President pro tem of the NC Senate, convened a regional meeting to discuss the serious stormwater issues resulting from the August, 2004 storms. This meeting took place in early September, in Kitty Hawk, and included representatives (elected and staff) of the six Dare County towns, Dare County, Currituck County and several state agencies – NC-DOT, Shellfish Sanitation, Water Quality, Coastal Management, and others.
- Following this meeting, Sen. Basnight "commissioned" the establishment of a regional task force consisting of an appointed member from each town and both counties under the leadership and coordination of the UNC Coastal Studies Institute, located in Manteo. Also meeting with the group were representatives from the aforementioned state agencies. The group met every other Tuesday, from late September through early January of 2005, and heard from "experts" on coastal zone hydrology, Low Impact Development, "green" building technologies, NCDOT's role in stormwater management, the legal and funding mechanisms for establishing Stormwater Management Districts (with taxing support), and various other related topics.

The group submitted a draft set of recommendations to Raleigh in February of 2005.

- While the regional effort was moving forward, Bob Muller, then Mayor of Nags Head, formed a Town Stormwater Committee, with one additional Board member, a Planning Commission member, and staff from the Planning and Public Works Departments. The Committee met every other week (on the "opposite" Tuesdays) from late September until early November of 2004. The Committee looked at existing Town Planning/Zoning regulations, specific problem areas and possible solutions (more about this below) and the advisability of implementing the previously considered Stormwater Utility to begin addressing these problem areas. The Mayor made a presentation to the (five member) Board as a whole in November and recommended setting a public hearing in January to take comment on establishing a Stormwater Utility Fee to be funded with a charge on each water bill.
- The Public Hearing was held on January 5, 2005, with one citizen speaking in favor of the utility (though he recommended designating 1¢ on the tax rate for the program). The Board voted 4 – 0 (with one member absent) to direct staff to present an amendment to the Town's Consolidated Fee Schedule on the agenda for their February 2nd meeting.

The original proposal for a \$75,000 line item would have resulted in a monthly fee (with 4,545 water accounts) of \$1.375. However, the Board approved a monthly fee of \$2.00 (actually \$4.00 per bill, since the Town bills each account bi-monthly). This initially generated about \$109,000 per year. A "Mission Statement" was designed for the expenditure of the Utility Fee, including maintenance and repair of existing drainage infrastructure, construction of new infrastructure where justified, preparation (and forwarding to Planning, for submission to the Board) of Ordinances to protect the integrity of the existing system, education of the public regarding Stormwater, and research into the effects of discharge into the ocean and sound (sampling to identify the constituents present, and quantities at various times of the year).

The Town has a year 'round population of slightly under 3,000, but a typical summer week finds upwards of 40,000 people "living" here. Therefore, the Town's infrastructure (33 miles of town maintained roads, an 11 mile multi-use path along NC 12 and 1243, from one end of town to the other and associated drainage systems) is much more extensive that the permanent population would indicate.

Since the adoption of the original Stormwater Utility Fee in 2005, the Town has made significant progress in addressing many localized drainage issues and completing stormwater related projects. Recent efforts have been led by Commissioner Marvin Demers and Town Engineer David Ryan to develop a plan for specific drainage and water quality projects. The list of proposed projects and anticipated costs have indicated that the Town will need to generate more revenue to fund these projects to meet the Town's goals for the next ten years.

In 2015, the Town increased the fee from \$2 to \$4 per month to address the significant backlog of projects. The annual revenue generate by the newly increased fee is anticipated to be \$232,000.